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INFORMATION REPORT

CD NO.

25X1A

AUG

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COUNTRY

China/Hong Kong

SUBJECT

**PLACE** 

ACQUIRED

Communist Re

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SUPPLEMENT TO REPORT NO.

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DATE OF INFO.

- The Chinese Communists are retaining or rehiring for various administrative and technical positions many former Kuomintang office holders. The Communists find that they are unable to supply the necessary trained men from their own ranks. They are offering Nationalist employees the same malaries for working for the Communist Government.
- Since the middle of May 1949 large numbers of officials have been dismissed from Nationalist governmental agencies in Canton, in order to ease the financial burden and to time over the orisis precipitated by the final collapse of the Gold Yuan. Some of these jobless officials have found their way to Hong Kong where, disillusioned and practically starving, they join the ranks of the expanding army of discontented elements in Hong Kong who talk and write unceasingly against the Nationalist leaders.
- There the Communists retain many of them to do agitation work. They are paid the same salaries they received before they were let out by the Nationalist Government.

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Comment. When the Kuomintang took over all China they, in curn, took into government positions practically all former officials of the government they displaced, for lack of trained personnel of their own. This is one of the causes of their present downfall.

This document is hereby regraded to CONFIDENTIAL in accordance with the letter of 16 October 1978 from the Director of Central Intelligence to the Archivist of the United States.

Next Review Date: 2008

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